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C O U N C I L      C O M M U N I C A T I O N

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TO:     THE CITY COUNCIL  
FROM:   THE CITY HANAGER'S OFFICE

COUNCIL MEETING DATE  
NOVEMBER 2, 1988

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SUBJECT:   CONSIDER ADOPTION OF STATE-MANDATED ORDINANCE AND RESOLUTION ESTABLISHING  
             STANDARDS AND PROCEDURES FOR IMPOSITION , COLLECTION AND EXPENDITURE OF  
             DEVELOPERS' FEES (AB1600)

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PREPARED BY:           City Attorney

RECOMMENDED ACTION:   That Council adopt the attached ordinance and  
                             resolution mandated by State statute, addressing  
                             collection, retention and utilization of developers'  
                             fees.

BACKGROUND INFORMATION:   As Council is aware, the State Legislature, pursuant  
   to AB1600 and its companion bill SB372, has  
   mandated that local government adopt provisions for  
the establishment of procedures establishing a "nexus" between development  
fees imposed and the needs generated by the development upon which such fees  
are imposed, as well as set up certain segregated accounts for the deposit and  
retention of funds.

The attached resolution and ordinance carry out these mandates. The ordinance  
itself establishes the Master Storm Drainage Fee (the only development fee  
presently in place in the City), limits the use of fee revenues, and  
establishes a mechanism for fee adjustments. The resolution provides  
necessary definitions, sets the fee itself, and provides for fee reviews.

The State statute requires the City to have these provisions in place not  
later than January 1, 1989. The format utilized in the attached draft  
ordinance and resolution is based on a model developed by the League of  
California Cities legal staff, and modified to meet local needs.

Respectfully submitted,



BOB McNATT  
City Attorney

BM:vc

attachments

cc: Public Works Director

CCAB1600/TXTA.01V

ORDINANCE NO.

AN ORDINANCE OF THE LODI CITY COUNCIL ESTABLISHING  
A STORM DRAINAGE FEE FOR DEVELOPMENTS WITHIN THE CITY OF LODI

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. PURPOSE.

In order to implement the goals and objectives of the City of Lodi's General Plan, and to mitigate the impacts upon the drainage system of the City caused by future development, certain public drainage improvements or facilities must be or have **been** required to **be** constructed. The Lodi City Council has determined that a development impact fee is necessary and appropriate in order to finance these public drainage improvements and to pay for each development's fair share of the construction costs of such improvements. In establishing the fee described in the following sections, the City Council has found the fee to be consistent with *its* General Plan, and pursuant to Government Code §65913.2, has considered the effects of the fee with respect to the City's housing needs as established in the Housing Element of the General Plan.

The City Council also finds that the City's storm drain system, which consists of an interconnected network of pumping stations, detention basins and trunk lines has been planned as a unified system and constructed in stages since 1963 using a combination of funding sources including a Master Storm Drain Fee. The City Council finds that it is in the best interest of the entire City that properties that are to be developed pay the cost of additional storm drain facilities in accordance with the Storm Drain Master Plan so said costs will not become a burden on City taxpayers.

## SECTION 2. ESTABLISHMENT OF THE STORM DRAINAGE FEE

There is hereby established, upon issuance of all building, use or occupancy permits and subdivision maps for development in the City of Lodi, a Storm Drainage Fee.

This fee is established to pay for public drainage improvements. The City Council shall, in a Council resolution adopted after a duly noticed public hearing, set forth the specific amount of the fee, describe the benefit, list the specific municipally-owned improvements to be financed, describe the estimated cost of these facilities, describe the reasonable relationship between this fee and the various types of new developments, and set forth the time for payment. As described in the fee resolution, this development fee shall be paid by each developer as specified in Government Code §53077.5, referring to time of collection. On an annual basis, the City Council shall review this fee to determine whether the fee amounts are reasonably related to the impacts of developments and whether the described public drainage facilities are still needed.

Said Resolution and associated studies shall be available to the general public for a period of at least fourteen days prior to the public hearing.

## SECTION 3. LIMITED USE OF FEE REVENUES.

The revenues raised by payment of these fees shall be placed in a separate and special account, and such revenues, along with any interest earnings on that account, shall be used solely to:

- (a) Pay for the City's future construction of drainage facilities described in the resolutions enacted pursuant to Section 2 above, or to reimburse the City for those described or listed facilities constructed by the City with funds advanced by the City from other sources, or;
- (b) Reimburse developers who have been required or permitted by Section 4 hereunder to install such listed facilities which are oversized, with supplemental size, length, or capacity.
- (c) To pay for and/or reimburse costs of program development and ongoing administration of the fee program for such public facilities.

#### SECTION 4. DEVELOPER CONSTRUCTION OF FACILITIES.

Whenever a developer is required, as a condition of approval of a subdivision map or development permit, to construct a public drainage facility described in a resolution adopted pursuant to Section 2 above, which facility is determined by the City to have supplemental size, length, or capacity over that needed for the impacts of that development, and when such construction is necessary to insure efficient and timely construction of the facility's network, a reimbursement agreement with the developer and a credit against the fee, which would otherwise be charged pursuant to this ordinance on the development project, shall be offered. The reimbursement amount shall not include the portion of the improvement needed to provide services or mitigate the burdens created by the development.

SECTION 5. APPEALS

Any appeal from the imposition of fees under this ordinance shall be done in substantial conformance with the procedures found in Lodi Municipal Code § 13.12.590.

SECTION 6. EFFECTIVE DATE OF FEE

This ordinance was adopted at a noticed public hearing, at which time the City Council also considered the initial development impact fee resolution. This fee shall apply to the issuance of any building, use or occupancy permit, or for any development approval issued after thirty days following this ordinance's passage.

SECTION 7. PUBLICATION

This ordinance shall be published once within fifteen days of its adoption in the "Lodi News Sentinel", a daily newspaper of general circulation printed and published in the City of Lodi.

Passed and adopted this       day of

\_\_\_\_\_  
JAMES W. PINKERTON, JR.  
Mayor

Attest:

ALICE M. REIMCHE  
City Clerk

State of California  
County of San Joaquin, ss.

I, Alice M. Reimche, City Clerk of the City of Lodi, do hereby certify that Ordinance No. \_\_\_\_\_ was introduced at a regular meeting of the City Council of the City of Lodi held \_\_\_\_\_ and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held \_\_\_\_\_ by the following vote:

Ayes: Council Members -

Noes: Council Members -

Absent: Council Members -

Abstain: Council Members -

I further certify that Ordinance No. \_\_\_\_\_ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

ALICE M. REIMCHE  
City Clerk

Approved as to Form



BOBBY W. McNATT  
City Attorney

ORDAB16.00/TXTA.01V

NOTICE OF PUBLIC HEARING  
BEFORE THE LODI CITY COUNCIL

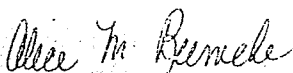
TO CONSIDER ADOPTION OF AN ORDINANCE AND RESOLUTION MANDATED BY STATE LAW (AB 1600) REQUIRING THE CITY OF LODI TO ADOPT REGULATIONS ESTABLISHING CERTAIN ACCOUNTING PROCEDURES FOR SETTING, COLLECTING, RETAINING, AND EXPENDING CERTAIN DEVELOPERS FEES, AND FOR ESTABLISHING A NEXUS BETWEEN SUCH FEES OR CHARGES AND THE NEEDS CREATED BY THE DEVELOPMENT ON WHICH SUCH FEES OR CHARGES ARE IMPOSED.

NOTICE IS HEREBY GIVEN that on Wednesday, the 15th day of November 1988 at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the Lodi City Council will conduct a public hearing in the Council Chambers, City Hall, 221 West Pine Street, Lodi, California to consider the adoption of an ordinance and resolution mandated by State law (AB 1600) requiring the City of Lodi to adopt regulations establishing certain accounting procedures for setting, collecting, retaining, and expending certain developers fees, and for establishing a nexus between such fees or charges and the needs created by the development on which such fees or charges are imposed.

Information regarding this item may be obtained in the office of the City Clerk at 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein and oral statements may be made at said Public Hearing.

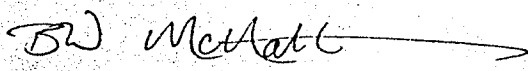
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this Notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, Lodi, California, at or prior to the Public Hearing.

By Order of the Lodi City Council.

  
Alice M. Reimche  
City Clerk

Dated: November 2, 1988

Approved as to Form:

  
Bob McNatt  
City Attorney

NOTICE/TXTA.01V